



CH1LDREN NOW



PICO California



August 8, 2012

Edmund G. Brown Jr., Governor
State of California
State Capitol, Suite 1173
Sacramento, CA 95814

Diana S. Dooley, Secretary
Health & Human Services Agency
1600 9th St # 460
Sacramento, CA 95814

RE: Actions Necessary to Ensure a Smooth Transition for Children in Healthy Families

Dear Governor Brown and Secretary Dooley:

Our undersigned organizations are deeply disappointed by the final budget decision to transition the Healthy Families Program and its nearly 900,000 enrolled children to Medi-Cal beginning as soon as January 2013. While we appreciate that the Trailer Bill Language (AB 1494) regarding the implementation of this transition seeks to provide for a smooth transition for Healthy Families enrollees, we believe additional implementation details will need to be sorted out in order to ensure compliance with federal law and to ensure that children will transition seamlessly and have timely and adequate access to care.

The budget Trailer Bill Language requires the California Health and Human Services Agency (CHHS) to submit an overall strategic implementation plan to the Legislature by October 1, 2012, as well as a detailed plan for each of the four transition phases and monthly status reports. As part of the stakeholder consultation called for in the bill, we look forward to working closely with CHHS and Department staff over the next few months to develop this strategic implementation plan and the associated transition plans. We are pleased to share some of our initial thinking and concerns with you here.

ASSURANCES OF CHILDREN'S ACCESS TO CARE

During the budget negotiations, legislators repeatedly referred to assurances provided to them from Administration officials that the Department of Health Care Services (DHCS) would not move forward with implementing the transition phases unless and until the State was sure that all children transitioning to Medi-Cal would have a provider to care for them. Like many other advocates and providers, we have serious concerns about access to care for children *currently* in Medi-Cal, and are concerned that access to care in an already fragile delivery system will be further threatened as hundreds of thousands of Healthy Families children transition into Medi-Cal and seek services from the same providers, or seek services in areas where there are already too few providers serving Medi-Cal patients, as in many rural areas of the state.

The approved budget requires DHCS and the Department of Managed Health Care (DMHC) to assess Medi-Cal managed care health plan network adequacy in accordance with Knox-Keene standards. However, a retrospective analysis of provider network overlap between Healthy Families and Medi-Cal plans does not provide an accurate picture of provider adequacy for this new group of enrollees in Medi-Cal. We believe the Departments within the Administration should undertake the following *prior to implementation of each transition phase* in order to fulfill the assurances of access to care made when the Legislature voted to approve the transition.

- Collect reliable, publicly accessible, and timely data from health plans, DHCS, DMHC, and the Managed Risk Medical Insurance Board (MRMIB) to establish a baseline of access and enable ongoing monitoring of children's access to care. To understand and properly evaluate access, information will be needed from actual health plan provider network surveys and contracts about the willingness of providers, based on rates they will be paid, to accept new Medi-Cal patients, as well as any providers' limits for Medi-Cal patients within their practice.

- Develop and communicate Medi-Cal managed care plan rates so that health plans can attest to the geographically specific adequacy of provider availability and networks.
- Closely examine Medi-Cal managed care plans' compliance with existing DMHC Knox-Keene and Timely Access to Non-Emergency Health Care Services Regulations, specifically: time and distance quality assurance standards (e.g., being able to get an urgent care appointment in 48-96 hours, a non-urgent primary care appointment within 10 days, or a specialist appointment within 15 days); and the number of pediatric providers and pediatric specialists, including a comprehensive look at the statutory and contractual maximum member-to-physician ratios (as a plan's various lines of business could be combined as part of the transition). Aggregated timeliness of access data from all licensed managed care products for the total population will not be sufficient to assess whether children in Medi-Cal managed care plans will be adequately served and able to see a provider when needed.
- Affirmatively demonstrate and *certify* that a given Medi-Cal managed care plan is ready to handle additional enrollees, complies with DMHC quality assurance standards, and has adequate access to provider networks for Medi-Cal enrollees before any transition phase can begin. When access to care cannot be affirmatively demonstrated, DMHC, in exercising their existing licensing and oversight enforcement authority, would work with health plans and DHCS to develop a detailed plan for corrective action.
- Establish an analogous access assessment and certification standard for Medi-Cal providers compensated in a fee-for-service model – this is particularly important for children's access to dental providers as the vast majority of Healthy Families children will be transitioning into Denti-Cal fee-for-service. Because of regional and local variation, it is important that the analysis of fee-for-service providers be done on a county-by-county basis.
- Articulate a contingency plan for children who transition into a Medi-Cal managed care health plan in a community where the Denti-Cal fee-for-service system does not demonstrate sufficient capacity to serve them; and consider alternatives, including maintaining dental coverage for Healthy Families children through the dental managed care plans with existing Healthy Families contracts until sufficient capacity is shown in Denti-Cal fee-for service.
- Define the parameters and metrics for an ongoing and timely access monitoring plan, with regular reporting to the Legislature and stakeholders, that would: evaluate via survey or audit how many Medi-Cal children (broken down by income and eligibility strata) are not able to set up a timely appointment with their own or another provider; utilize an independent auditor or disguised observer study to assess timely access to care; and incorporate feedback based on calls or complaints submitted to the DMHC Help Line, county welfare offices, and MRMIB vendors, as well as through the Medi-Cal grievance and appeals process.

ALIGNED AND SEAMLESS ELIGIBILITY AND ENROLLMENT PROCEDURES

We stand ready to work with DHCS and MRMIB to design the specific elements of a seamless transfer of Healthy Families enrollees to Medi-Cal as well as the process for accepting new applications from targeted low-income eligible children. As required by the federal Maintenance of Effort provisions in the Affordable Care Act, children in Healthy Families should not be subject to any more restrictive eligibility procedures than currently exist in Healthy Families. For example, Healthy Families enrollees should be able to maintain their one year of continuous eligibility coverage even if their transfer occurs within the year. This one-year continued coverage also becomes a factor in how the Department intends to transfer the Healthy Families children into Medi-Cal. The transfer process should not include additional determinations that may jeopardize a child's continuous eligibility tied to the date of their Healthy Families annual renewal. (See more on the transfer process below).

Many of the eligibility rules and procedures in Healthy Families and Medi-Cal are the same, but those Healthy Families processes that are less restrictive than Medi-Cal should be incorporated into the Medi-Cal eligibility procedures for all children. For example, Healthy Families has a 60-day grace period before a termination

process begins for unreturned renewal forms. There is also the ability to reinstate coverage without reapplying 30 days after their termination when renewal forms weren't returned. In addition, Healthy Families offers a pre-populated annual renewal form on which families only have to report changes and income. This process should be incorporated into Medi-Cal's redetermination process for all children. Some counties provide Medi-Cal pre-populated renewal forms, whereas other counties require additional documentation and assets information at redetermination, which is more restrictive than current Healthy Families procedures. We recommend that the State work with stakeholders and federal officials in outlining what other less restrictive eligibility procedures would need to be incorporated into Medi-Cal.

New applications coming through the Single Point of Entry (SPE) should all be treated the same; that is, if a child is screened eligible for Medi-Cal (whether traditional Medi-Cal or CHIP Medi-Cal) she should be eligible for accelerated enrollment (AE) or immediate coverage while the application is forwarded to the county. There is not a satisfactory rationale for treating Medi-Cal eligible applicants differently. Certainly, old "stair step" eligibility rules should not determine which Medi-Cal-eligible applicants receive AE and which have to wait for their application to be forwarded to the county for a determination before receiving coverage.

With regard to the transfer of Healthy Families enrollees into Medi-Cal, the process should be as seamless as possible and not require additional information from the family when such information already exists. In addition, as mentioned, the one-year continuous eligibility coverage from the date of a child's Healthy Families renewal should be maintained. DHCS should also consider how to ensure that Healthy Families children transitioning to Medi-Cal are not paying premiums when they are in fact below the income threshold for premiums. Some Healthy Families children may appear to be subject to Medi-Cal premiums due to their Healthy Families calculated income even though their income is actually below the 150% of the federal poverty level threshold using Medi-Cal methodologies (or due to changes in income within the year). Our preferred approach would be to place all transferring children in a non-premium aid code until their annual redetermination in Medi-Cal is able to correctly determine income. In almost all cases, this annual redetermination (based on their Healthy Families renewal date) will occur in less than a year from their transfer.

ESTABLISHING FAIRNESS IN COST-SHARING

Approximately 17,000 families in Healthy Families participate in a premium discount program where families may pay premiums in advance for a reduced price (i.e., pay for four months of coverage at the three-month premium rate). The Trailer Bill Language maintains the premium discount program but explicitly prohibits refunding/crediting families for premium arrangements they made when in Healthy Families coverage. The Administration should clarify that the State will honor its previous commitments, and that if families participated in an advance premium payment discount program, they should receive a refund or credit when the advance premiums period overlaps with their transition to Medi-Cal. In addition, DHCS should also work with MRMB to make any needed adjustments to Electronic Funds Transfer (EFT) of premium payments in a way that is as streamlined and simple for families as possible.

According to federal Medicaid rules, the State is responsible for monitoring that premiums and cost-sharing do not exceed the 5% out-of-pocket cap (a responsibility that does not fall on families). This may need to involve contracting with the health plans to track and report individuals' copayments. The State will likely need to provide a detailed outline in its State Plan Amendment (SPA) on how this tracking will occur. We expect that the transition strategic plan due to the Legislature in October will also need to include a description of the State's proposed out-of-pocket cost-sharing monitoring process.

DHCS will also need to clarify the new premium procedures under federal Medicaid rules and delineate what will be expected of the premium collection vendor, and what functions will be the responsibility of the State, particularly as it relates to procedures for delinquent premium payments, possible termination for non-payment, distribution and submission of premium evaluation forms, and due process rights. DHCS should remain accountable for all aspects of the premium collection process and related terminations and have rigorous and transparent oversight of the vendor.

PROVIDING FOR FAMILY ASSISTANCE AND SUPPORT THROUGHOUT THE TRANSITION

DHCS bears a responsibility for ensuring that all children in need of care or assistance get connected with the help they need. DHCS should establish a hotline where patients can call to find a medical and/or dental provider currently accepting appointments for Medi-Cal enrollees in fee-for-service areas of the state. In managed care, the health plans are responsible for connecting patients with a doctor, but in Medi-Cal and Denti-Cal fee-for-service, there is no one repository for families to identify providers who are accepting new appointments. A provider directory hotline will be a valuable benefit for all children and families in fee-for-service Medi-Cal/Denti-Cal.

In addition, DHCS should maintain an up-to-date list of active Certified Application Assistors (CAAs) where families can get help in-person or over the phone in a culturally sensitive way, including for families that are Limited English Proficient. DHCS should also establish a close referral system with health insurance navigators when the navigator program gets established next year through the California Health Benefit Exchange. Efforts to further invest in and improve the consumer assistance infrastructure should strongly be considered in the context of the Healthy Families transition.

The implementation planning period over the next several months is critical to the success of this transfer of Healthy Families children. We stand ready to work with the Administration to effectuate the assurances made that children will transition seamlessly and that no child is moved into Medi-Cal until there are sufficient providers to care for the child promptly.

Sincerely,



Ted Lempert
President
Children Now



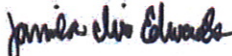
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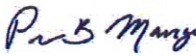
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